



**2020
ESG
INSIGHT**



OVERVIEW

Brightening the Future, and Bringing Light into All Corners of Society /

Coretronic is the lighthouse of hope. Based on glorious performance, we light up the society and green the environment, so as to wish everyone a sustainable and bright future.

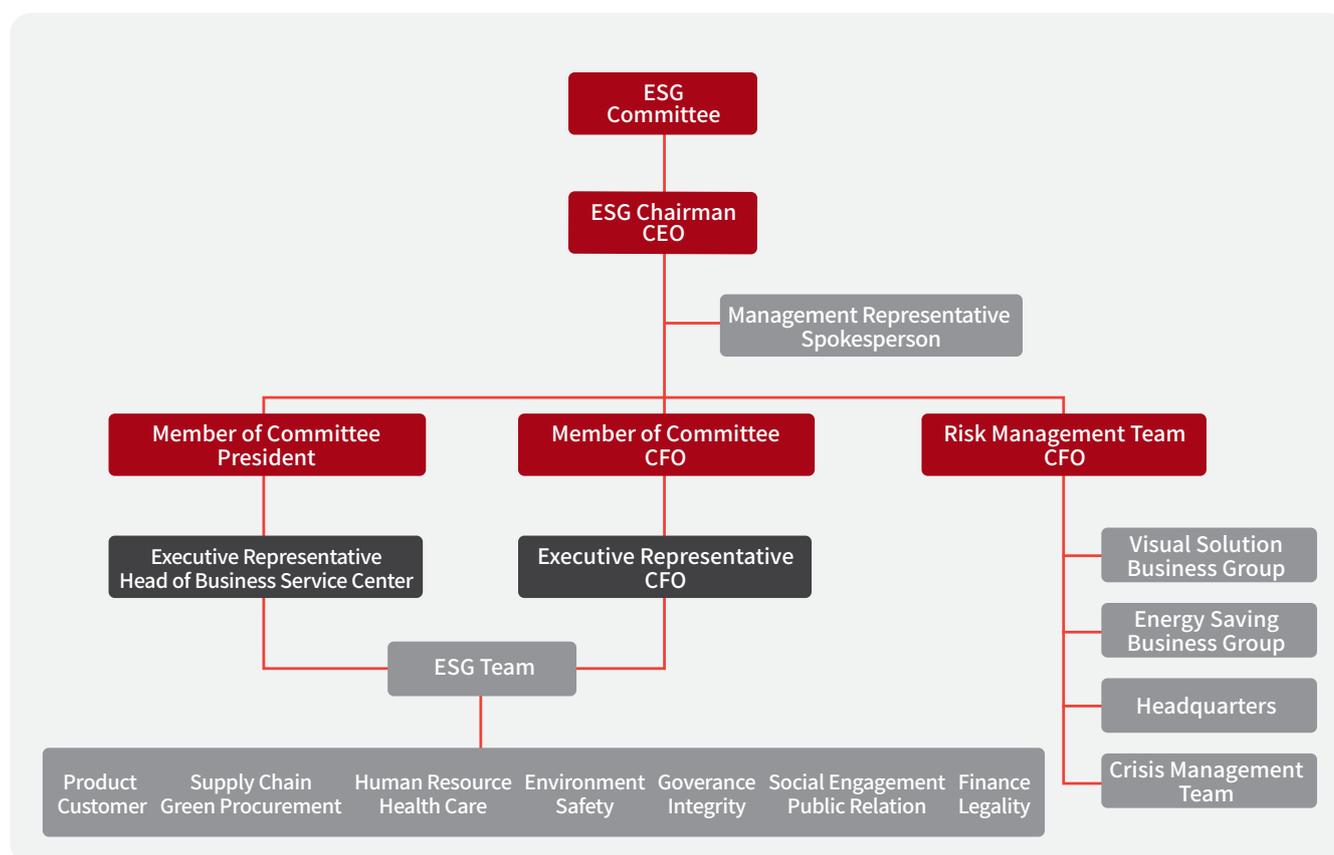
Consecutively since 2008, Coretronic has followed the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines to issue CSR Reports. In line with our commitments and determination towards sustainability, in 2020, we transition to an ESG Report, covering our strategies, goals and results of the three dimensions: Environmental, Social, and Governance.

ESG Committee /

The CSR Committee was established in 2008 and renamed to the ESG Committee in 2020. The committee is chaired by the CEO of the Company, with the presidents and the CFO serving as the members of the Committee and the spokesperson serving as the representative of management.

Authorized by the ESG Committee, the executive representatives in each division are responsible for the implementation and promotion of sustainability.

Currently, the ESG Committee runs independently, the Company has been and will continue to discuss and to strengthen the Board involvement in the future.



Risk Management Team /

Since 2017, Coretronic has actively implemented a mechanism of risk management by consolidating relevant units into a risk management team. The team is subordinate to the ESG Committee and led by the CFO. The board has approved “**Risk Management Policies**” in 2020 and since, the Risk Management Team reports operations to the Board once every year.

The Team offers a series of risk management courses related to quality, information security, and climate change, such as:

- Task Force on Climate-Related Financial Disclosures (TCFD) Briefing
- The Regulations of Information Security and Network Usage
- The Introduction of Quality Systems

Among other education and training to enhance employees’ risk awareness.

“83 employees attended the courses in 2020 with a total of 116 person-hour trainings.”

Pandemic Response Team /

The Company also set up an internal Pandemic Response Team in January 2020, and formulated a series of prevention policies. The Team is led by the CFO, with other team members from relevant departments such as environmental safety, human resource management, health care and employee relations.

The Risk Management Team reports to the Board regarding the developments of the pandemic on a weekly basis.

International Certification /

Certification Type	Certification Date	Valid Until	Scope
AA1000	2021/06/15	N/A	Company-wide
ISO 9001:2015	1997/09/02	2022/07/31	Headquarters, Chunan Plant, Tainan Plant 1
ISO 14001:2015	2001/01/18	2022/01/18	Headquarters, Chunan Plant, Tainan Plant 1
ISO 14064-1:2018	2021/03/20	N/A	Headquarters, Chunan Plant, Tainan Plant 1
ISO 50001:2018	2016/11/20	2022/11/20	Chunan Plant
CNS 45001:2018	2020/12/17	2022/01/13	Corporation, Headquarters, Chunan Plant, Tainan Plant 1
ISO 45001:2018	2020/12/17	2021/12/23	Headquarters, Chunan Plant, Tainan Plant 1

Environmental Protection Committee /

With the goals of implementing energy saving mechanisms, reducing GHG emissions, fulfilling corporate social responsibility, enhancing the overall image and reducing the operating costs of the Company while ensuring sustainable development of the Company, Coretronic has established an Environmental Protection Committee since November 2014.

Regular meetings are conducted on a quarterly basis, and if necessary, extraordinary meetings can be convened to discuss and review the promotion and implementation of energy savings, carbon reduction and environmental protection.

The long-term missions of the committee include but not limited to:

- Integrating and promoting initiatives related to energy management, carbon reduction and environmental protection
- Enhancing employees' awareness of environmental protection by promoting environmental education
- Other issues related to environmental protection

Climate Change Management /

In order to alleviate impact on the economy, society and the environment from climate change, Coretronic became a TCFD supporter in 2020, introduced the TCFD framework, and established a cross-departmental team, with members from environmental safety and health, factory management, accounting, finance, stock affairs, investor relations, public relations, procurement, manufacturing, business development, product management and R&D.

Building around low-carbon products and green operations, the Company developed energy-saving and carbon-reduction strategies, such as the continuous development of environmentally friendly technologies, the introduction of a circular economy in manufacturing, and strengthening of waste reduction and pollution prevention.

In addition, in response to the Paris climate agreement's goals of "limiting global warming to well below 2°C", we have formally proposed in 2019 the goal of "Cumulative reduction of GHG by 14% from 2020 to 2028."

2020 Educations for TCFD and SASB	Attendees (persons)	Training hour (person-hours)
TCFD briefing	53	106
"Green Swan: The Most Important Things of Investment - ESG" for directors	7	21

Key Environmental Goals and Achievement Rates / Environmental Goals

Committed Environmental Goals	2020-2022	2023-2025	2026-2028
GHG reduction (Category 1 & 2)	6%	10%	14%
Reduction in Energy Consumption	13%	17%	20%
Reduction in Water Consumption	8.4%	12%	15%
Reduction of Domestic Waste Output Intensity	5%	9%	12%
Utilization of Renewable Energy as Percentage of Annual Power Consumption	1%	1.5%	2%
Annual Environmental Protection Events	6	7	8

2020 Environmental Results / GHG emissions (Category 1 & 2)

Compared to 2019	Details
17% decline in Taiwan plants	<p>Taiwan category 1 and 2 GHG emissions were reduced by 17% in 2020 compared to 2019, while intensity dropped by 7% for the same time period. This was due to each plant responding to the energy conservation policy by implementing energy-saving measures and starting energy-saving equipment replacement programs, such as: introducing magnetic suspension water cooling machine, equipment power consumption monitoring; reducing energy consumption along with nighttime energy use management and lighting energy-saving improvement measures. In addition, we also use renewable energy to reduce the use of purchased electricity and achieve GHG reduction benefits.</p> <p>For indirect emissions (categories 3~6) in 2019, we internally investigated 2 kinds of emissions. In 2020, we further expanded external investigation for 9 kinds of emissions in “indirect emissions-categories 3~6”, which results in a significant difference in scope and results over these two-year.</p>

Energy Consumption

Compared to 2019	Details
15% decrease in Taiwan Plants	<p>In 2020, with the adoption of active magnetic bearing chillers in Headquarters and Chunan Plant, the implementation of power management and the continuous promotion of energy-saving measures, there was a 15% reduction in total energy consumption compared with 2019.</p>

Water Consumption

Compared to 2019	Details
9% decrease in Taiwan Plants	<p>All of our water comes from the Taiwan Water Corporation. The water is mainly used for air conditioning, drinking water, cleaning, irrigation and cafeteria. The users are employees, visitors and contractors. Because of the non-water-intensive nature of our production, there is no significant impact on the environment.</p> <p>However, considering water resources are a major concern for international sustainability, we adopt water saving and recycling measures to reduce our impact on the environment. At the same time, we also emphasize the relevant information about water conservation in order to prevent water scarcity crisis.</p>

Domestic Waste Output Intensity

Compared to 2019	Details
9% decrease in Taiwan Plants	<p>Reduced material usage from the source, we purchased 122,559 paper products made from recycled pulp as shipping cartons.</p> <p>Increased the variety of recyclable packaging materials and wood pallets. A total of 480.5 tons of wood pallets were recycled between 2017 and 2020, reducing carbon emission by 989.9 tonCO₂e.</p> <p>Audit conducted for waste process vendors, with an audit completion rate of 100%.</p>

Renewable Energy as Percentage of Annual Power Consumption

Compared to 2019	Details
1%	<p>In response to the international trend of green energy, in 2020, we officially incorporated the usage of renewable energy into our sustainability goal; Taiwan plants renewable energy usage will account for 1% of the annual electricity consumption from 2020 to 2022.</p> <p>A total of 165 renewable energy certificates were purchased in 2020 (equivalent to 165,000 kWh of renewable energy)</p>

Environmental Metrics /

Taiwan	Unit	2018	2019	2020
Total GHG Emissions (Category 1 & 2)	tonCO ₂ e	9,485.2	9,291.6	7,711.9
Intensity of GHG Emissions (Note 1)	tonCO ₂ e /100m NTD	43.1	46.7	43.6
Direct Emissions - Category 1	tonCO ₂ e	307.6	262.2	246.1
Indirect Emissions - Category 2		9,177.6	9,029.4	7,465.8
Indirect Emissions - Category 3~6		-	3,673.1	9,346.8
Total Power Consumption	MWh	17,094	17,403	14,820
Power Consumption Intensity (Note 1)	1 MWh / 100m NTD	78	87	84
Electricity	MWh	16,566	16,941	14,413
Liquefied Petroleum Gas		40	0	0
Natural Gas		365	317	262
Diesel Fuel		28	14	15
Gasoline		95	131	130
Total Waste Output	tons	616.7	861.0	569.5
Domestic Wastes Output Intensity (Note 1)	tons / person	0.067	0.084	0.077
Domestic Wastes	tons	154.6	189.0	154.5
Recyclable Wastes		411.0	618.0	365.3
General and Hazardous Industrial Wastes		51.1	54.0	49.6
Total Water Conserved and Recycled	tons	13,765	17,057	19,471
Water Conserved	tons	11,769	14,212	16,405
Water Recycled		1,996	2,845	3,066

Wujiang Plants - Coretronic Display (Suzhou), Coretronic Optotech (Suzhou)	Unit	2019	2020
Total GHG Emissions (Category 1 & 2)	tonCO ₂ e	494,077.0	572,925.2
Intensity of GHG Emissions (Note 1)	tonCO ₂ e /100m NTD	5,881.9	5,677.9
Direct Emissions - Category 1	tonCO ₂ e	479,651.0	556,547.5
Indirect Emissions - Category 2		14,426.0	16,377.7
Indirect Emissions - Category 3~6		-	-

China - Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan)	Unit	2019	2020
Total Power Consumption	MWh	31,840	32,121
Power Consumption Intensity (Note 1)	1MWh / 100m NTD	104	118
Electricity	MWh	29,973	31,113
Liquefied Petroleum Gas		0	0
Natural Gas		1,122	897
Diesel Fuel		30	24
Gasoline		715	87

1: The scope of revenue

2018: Taiwan-Coretronic, Young Green Energy, Young Lighting, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, uCare Medical Electronics, Champ Vision Display, and InnoSpectra in Taiwan.

2019-2020: Taiwan-Coretronic, Young Green Energy, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, uCare Medical Electronics, Champ Vision Display, InnoSpectra, and Coretronic MEMS in Taiwan; China- Coretronic Display(Suzhou), Coretronic Optotech(Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan) in China.

2: The GHG base year of Taiwan Plants was revised to 2019 by the environmental protection committee, and the ISO 14064-1:2018 has been used for investigation since 2020. The internal GHG investigation of Wujiang Plants in 2019 and 2020 referred to the ISO 14064-1:2006, where category 1 = scope 1, category 2 = scope 2.

3: The coefficient of Taiwan Plants' carbon emissions in 2020 refers to the carbon emission data of the Bureau of Energy in 2019, 1 kWh of electricity = 0.509 CO₂e; the coefficient of Wujiang Plants' carbon emissions refers to the results of the 2019 China regional grid baseline emission factor, 1 kWh of electricity = 0.7937 CO₂e. The GWP value refers to the Global Potential Value and the scope of the investigation in the Fourth Assessment Report of IPCC 2007 in accordance with the Operational Control Law.

4: 1 MWh = 0.0000036GJ.

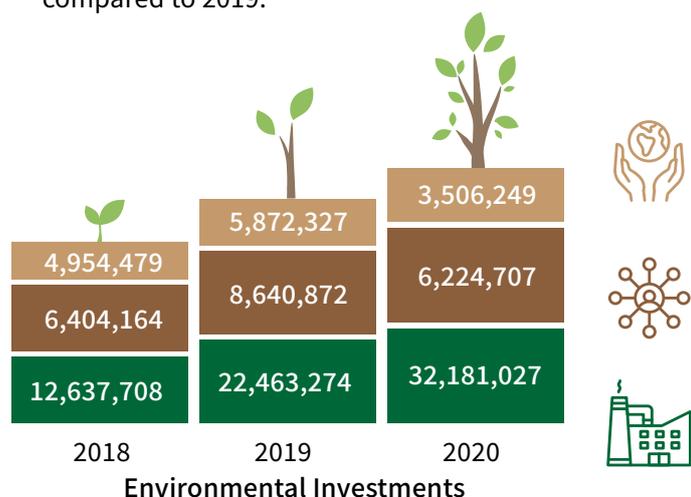
Environmental Protection Promotion /

“The “Rise Up” stair-climbing competition with 142,680,119 steps between 2015 and 2020 helped to save 1.98 million kWh of electricity and reduce carbon emissions by 1,037 tonCO₂e.”

	2018	2019	2020
Green Earth	Events on April 22nd, Earth Day		
Green knowledge	<ul style="list-style-type: none"> A total of 1,506 people participated in environmental protection activities A total of 7,952 person-hours environmental education Monthly publication of environmental-protection posters 	<ul style="list-style-type: none"> A total of 1,337 people participated in environmental protection activities A total of 8,712 person-hours environmental education Monthly publication of environmental-protection posters 	<ul style="list-style-type: none"> A total of 2,584 people participated in environmental protection activities A total of 6,912 person-hours environmental education Monthly publication of environmental-protection posters
Green Actions	<ul style="list-style-type: none"> Adoption of 500 meters of Long Fong Fishing Port Organized two beach clean-up activities A total of 3,459 green points completed 	<ul style="list-style-type: none"> Adoption of 500 meters of Long Fong Fishing Port Organized one beach clean-up activity A total of 3,614 green points completed 	<ul style="list-style-type: none"> Adoption of 1 kilometer of Long Fong Fishing Port Organized one beach clean-up activity A total of 2,921 green points completed In response to the "A Green Habit, A Better Earth" activity Adoption of 4 public toilets The total amount of sponsorship for environmental protection was NT\$37,100

Investments in Environmental Protection /

Environmental investments in 2020 was approximately NT\$41.91 million, representing an increase of 13% compared to 2019.



Breakdown of costs:

Cost of environmental management activities

Management-related expenses such as air pollution prevention, water pollution prevention, waste treatment and noise control, etc.

Environmental-related personnel costs

Management system maintenance and environmental-related training costs

Equipment maintenance costs

Environmental protection related maintenance, equipment maintenance, and the prevention of climate change, the purchase of energy-saving equipment, etc.

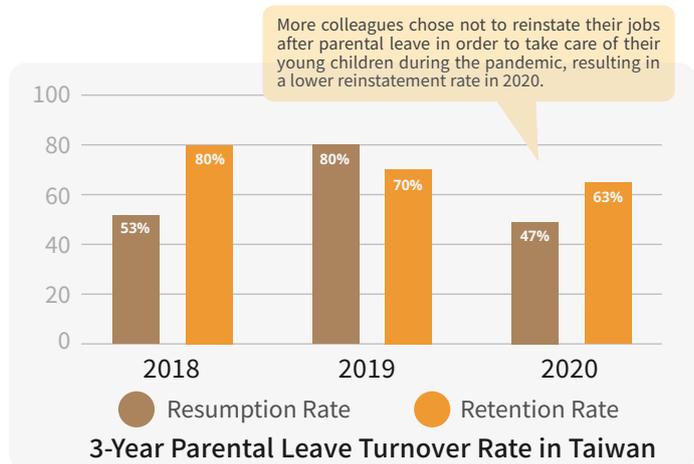
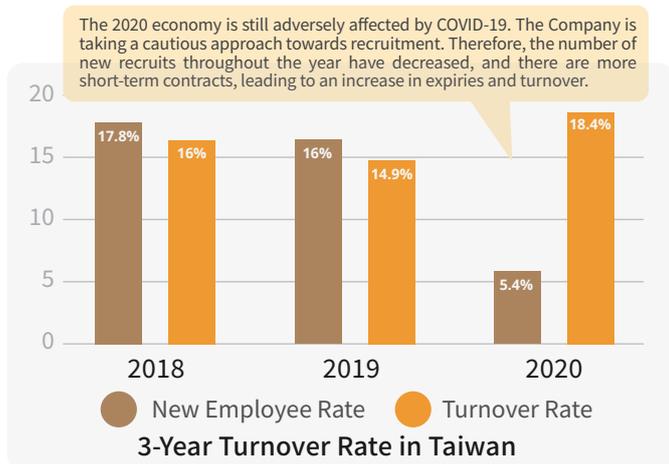
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Workforce Overview /

2020 Taiwan Employees Overview				
Item	Contract Type	Male	Female	Total
Employed Workers	Open-Ended Contract	986	628	1,614
	Fixed-Term Contract	8	0	8
	Migrant Workers	0	0	0
Total Employees - Taiwan		994	628	1,622
Non-Employed Workers	Temporary Workers	8	15	23
2020 China Employees Overview				
Item	Contract Type	Male	Female	Total
Employed Workers	Open-Ended Contract	1,363	1,076	2,439
	Fixed-Term Contract	282	84	366
	Migrant Workers	1	0	1
Total Employees - China		1,646	1,160	2,806
Non-Employed Workers	Temporary Workers	1,542	440	1,982
2020 Total Taiwan & China Employees		2,640	1,788	4,428
Gender Ratio		60%	40%	100%

Gender Pay Equality /

Ratio (F:M)	2018	2019	2020
R&D Staff	0.994:1	0.989:1	0.978:1
Production Staff	0.980:1	0.981:1	0.991:1
Sales Personnel	0.964:1	0.963:1	0.955:1
Administrative Staff	1.025:1	1.000:1	0.989:1



Employees who are Entitled to Parental Leave from 2018 to 2020 /

Gender / Item	Male	Female	Total
A. Employees Qualified for Parental Leave	110	94	204
B. Employees Applying for Parental Leave	7	19	26
C. Employees Resuming Work in the Year	5	27	32
D. Actual No. of Employees Resuming Work	3	12	15
E. Employees Resuming Work After 2019 Leave	0	24	24
F. Retention Rate 1 Year After Work Resumption	0	15	15
G. Resumption Rate (D/C)	60%	44%	47%
H. Retention Rate (F/E)	-	63%	63%

Unions /

Company	Coretronic Projection (Kunshan) Co., Ltd	Coretronic Display (Suzhou) Co., Ltd.	Coretronic Optotech (Suzhou) Co., Ltd
Date of Establishment	July 2014	July 2015	June 2019
Collective agreements	Collective agreement for wages	<ul style="list-style-type: none"> • Enterprise collective agreement in Wujiang District, Suzhou City • Enterprise collective agreement for Wages in Wujiang District, Suzhou City • Enterprise collective agreement for labor safety and health in Wujiang District, Suzhou City • Enterprise collective agreement for special protection of female employees in Wujiang District, Suzhou City • Explanation on the process of signing collective agreements (wage agreements) 	
Total people covered by agreements	986	805	517
Total people covered by agreement as a percentage of total employees	99.9%	79.5%	76.6%

The principle of collective agreement signed by the labor union in China is based on the Company's full-time employees (irregular contract). Although the regular contract employees do not join the labor union, there are still relevant company regulations to protect their labor rights.

Human Rights, Diversity and Equality /

As an electronic industry citizen, Coretronic agrees to comply with the Responsible Business Alliance (RBA) Code of Conduct, fulfills corporate social responsibility to protect the basic human rights of all employees, and recognizes and abides by various international human rights agreements, including the Universal Declaration of Human Rights (UDHR), The United Nations Global Compact (UNGCG), The United Nations Guiding Principles on Business and Human Rights (UNGPs), and International Labour Organization (ILO). We further agree to eliminate any acts that infringe upon or violate human rights and state our aim to treat and respect all employees with justice and equality.

The Coretronic Corporation Human Rights Policy includes:

Diversity, Inclusion, and Equal Opportunities



Goals	Results
<ul style="list-style-type: none"> • The recruitment, hiring and wages of employees will not be based on or affected by their race, class, language, thought, religion, political party, place of birth, gender, sexual orientation, age, marital status, appearance, physical or mental disability or past labor union membership. • Ensure the development opportunities for ethnic minorities, without affecting operating efficiency and overall fairness. • Disclose the aforementioned equality commitments in the "Operating Procedures for Employees Recruitment." 	<ul style="list-style-type: none"> • In 2020, no reports of discrimination have been reported. • In terms of gender, the employee ratio of male to female is about 3:2, which is related to the nature of the jobs; the ratio of salaries for the same job category and same performance is about 1:0.98, which has no difference in gender.

No Child Labor



Goals	Results
<ul style="list-style-type: none"> • The applicants who are under 16 years old will not be recruited for any of the Company's positions in order to protect the growth and development opportunities for the young, except for the industry-education cooperation internships that are conducted in accordance with the government regulations; the aforementioned commitments are stated in the "Operational Procedures for Employees Recruitment" and related process documentations. 	<ul style="list-style-type: none"> • Strictly abide by the principle of prohibiting child labor. In 2020, the number of full-time employees under 16 years old is zero. • All outsourcing units abides by the rules of non-employment of child labor, including industry-university cooperation, summer internship employees.

Compliance with Minimum Wage



Goals	Results
<ul style="list-style-type: none"> All employees' wages comply with the local laws and regulations and meet the basic salary level based on the business operating location, and the social insurance will be conducted in accordance with the laws and regulations, to ensure the welfare and well-being of employees. Offer insurance and welfare benefits beyond the laws and regulations, to provide extra care for employees The aforementioned commitments are stipulated in the "Work Regulations of Coretronic." 	<ul style="list-style-type: none"> Starting from 2020, the starting salary for both male and female entry-level staff (direct staff) is NT\$23,800, and the salary of incumbents has been adjusted to more than NT\$23,800, which is in line with Taiwan's legal minimum wage standard. In 2020, the Company's recurring salary is on average higher than the industry average to ensure the stable operation of the team (refer to the monthly salary report by the Directorate-General of Budget, Accounting and Statistics). In 2020, the salary is in line with the competitive level in the market.

Reasonable Working Hours



Goals	Results
<ul style="list-style-type: none"> Stipulate a working hour system and management plan in accordance with the local laws and regulations based on the business operating location, to protect the physical and mental health of employees and their life arrangements. For the demands of business operations, make overtime arrangements based on employees' agreement and in accordance with the laws and regulations; and provide overtime pay or compensatory day off as compensation based on the desire of the employees The aforementioned commitments shall be stated in the "Work Regulations of Coretronic," "Management Regulations of Work Time," "Overtime Management Regulations" and related process documentations. 	<ul style="list-style-type: none"> The Company offers employees a "golden week" as a holiday every year while providing floating leaves to ensure a relaxed holiday. Night broadcastings and patrols are arranged to prevent excessive working hours of employees. To avoid overtime work and ensure work-life balance, we carried out a system called "Attendance and Working Hours" to promptly remind our employees and their supervisors about their attendance status.

Workplace Health and Safety



Goals	Results
<ul style="list-style-type: none"> It is the Company's responsibility to continuously care for the employees' health; we are dedicated to creating a healthy, safe, comfortable, and friendly working environment. Coretronic actively promotes various health-related activities to improve employees' health and evaluate the effectiveness and plan improvement strategies after the activities, so that all employees will be able to receive comprehensive health care. For a safe working environment, the Occupational Health and Safety Committee was established and responsible for review and promotion of annual goals regarding occupational health and safety affairs, to continuously promote a safe working environment and prevention of occupational disasters. 	<ul style="list-style-type: none"> Artworks and music provided in public spaces to relieve work pressure and build up a healthy workplace. Hosted a competition of stair-climbing and Company-wide sports games in order to encourage a healthier lifestyle. In response to COVID-19 pandemic prevention, the following measures have been implemented to ensure a healthy and safe working environment: <ol style="list-style-type: none"> Measure and record daily body temperatures to ensure employees' health status. Check the health status and contact history every week to ensure risk control. Implement WFH for employees with suspected symptoms, and follow up their status until the symptoms are all resolved.

Freedom of Association



Goals	Results
<ul style="list-style-type: none"> The Employees' Welfare Committee was established to ensure the employees' welfare; employees are selected as the representatives of the committee based on the regulations, to ensure the rights and benefits of employees. In order to improve employees' physical and mental health, enhance their work and life quality, we encourage the employees to participate in suitable recreational and welfare activities; and the employees' rights of forming social clubs are ensured according to the welfare committee's "Activity Management and 	<ul style="list-style-type: none"> 15 clubs have been established, including: badminton club (Headquarters), badminton club (Chunan Plant), badminton club (Tainan Plant), dancing club, softball club, Sarnath Club, body stretching club, chorus club, pop dancing club, board games club, table tennis club, philharmonic club, handicraft club, hiking club, outdoor activity club.



Collective Bargaining

Goals	Results
<ul style="list-style-type: none"> The labor-management meetings will be regularly conducted in accordance with the "Labor Standards Act" and "Regulations for Implementing Labor-Management Meeting," to protect the rights of employees, create a win-win situation for the labor-management system, establish a two-way labor-management communication channel, and create a good labor-management relation; the labor representatives are chosen by the employees to communicate and negotiate subjects regarding labor-management and the Company's business operations. 	<ul style="list-style-type: none"> Held labor-management meetings in each plant every quarter. In 2020, a total of 12 labor-management meetings were held, and the meeting minutes were announced on the internal website to ensure open communications.

Open Communication Channels /

At Coretronic, we have established and arranged comprehensive communication channels, such as the 8585 hotline and mailbox, physical suggestion box, free service hotline, EIP employee website, employee forum, Coretronic APP, internal publication, yearly employee satisfaction survey, quarterly labor-management meeting, quarterly employee welfare committee meeting, department communication meeting, quarterly newcomer's seminar, and technology and products seminar to publicize organizational policies, systems, benefits, and activities, and enable employees to fully express their opinions. All opinions will be gathered by related units to make timely responses to employees or offer them support.

Occupational Health and Safety /

Coretronics has passed the certification of CNS 45001, and ISO 45001 at the end of 2020. We continue to invest various resources to enhance the awareness and management of occupational safety and health.

Occupational Safety and Health Committee /

The Occupational Safety and Health Committee meetings are held quarterly. The number of labor representatives in each factory accounts for more than one-third of the total number of the factory committees. They are responsible for the review of occupational safety and health affairs and the promotion of annual goals.

In 2020, a total of 12 meetings were held in Taiwan plants along with 44 contractor agreement meetings.

Proportion of Labor Representatives, Occupational Safety and Health Committees - Taiwan 2020

Implementation and Consultation Matters	Operating Location	Number of Labor Representatives	Total Committee Members	Proportion of Labor Representatives
<ul style="list-style-type: none"> Continuous promotion of a safe working environment and the prevention of occupational accidents. 	Headquarters	5	12	42%
<ul style="list-style-type: none"> Continuous promotion of energy conservation, emission reduction and industrial waste reduction in all plants. Arrange periodic education/training activities to raise OHS awareness of employees. 	Chunan Plant	14	21	67%
<ul style="list-style-type: none"> Continuous promotion of environmental safety audits. Manage, review and ensure the effective operations of EMS and OHSMS. 	Tainan Plant	8	21	38%

Occupational Accident Management /

In 2020, there were 3 false alarms and 3 incidents of work-related injuries (excluding traffic accidents), and the incidence of work-related injuries decreased by 25% compared to 2019, with the causes of work-related injuries being bone fractures from walking and injuries from participating in group recreational activities. All accidents have been analyzed, countermeasures proposed and improvements made.

During the period from March 27, 2019 to November 30, 2020, a total of 321 employees in the Chunan Plant participated in the safety and health self-management campaign promoted by the Industrial Safety and Health Association - joining the "Disaster Free Working Hours Recording Activity". As of the end of 2020, the total accumulated disaster-free working hours reached 1,042,320 hours. In the future, we will continue to aim for zero accidents in the workplace and strive to maintain a safe working environment.

Occupational Injury Rate of Taiwan Plants	2018		2019		2020	
	Employee ⁴	Worker ⁴	Employee ⁴	Worker ⁴	Employee ⁴	Worker ⁴
Death Rate Due to the Occupational Injury ¹	0	0	0	0	0	0
Serious Occupational Injury Rate ²	0.26	0	1.09	0	0.99	0
Documentable Occupational Injury Rate ³	0.26	0	1.09	0	0.99	0

1: The death rate due to the occupational injuries - the number of deaths due to the occupational injuries/working hours x 1,000,000.

2: Serious occupational injury rate (excluding the number of deaths) = the number of serious occupational injuries (excluding the number of deaths) / working hours x 1,000,000.

3: Documentable occupational injury rate = documentable occupational injuries / working hours x 1,000,000.

4: Employees and workers: Calculated based on the statistics of occupational disasters reported by the plants in Taiwan from January to December 2020, there were 18,881 employees and 2,529 non-employed workers in the plants in Taiwan.

Supply Chain and Procurement Management /

With total of 1,475 suppliers (1,298 domestic suppliers reaching 88% and 177 overseas suppliers), Coretronic require our suppliers to comply with the following guidelines:

1 Compliance with the Code of Green Product Procurement



Suppliers are required to promise and ensure their products comply with the Code of Green Product Procurement, and provide RoHS lab test and examination report from an accredited third-party unit, Green product commitment, Environmentally hazardous substance questionnaire, Lead-free part reliability report, Safety data sheet (SDS), Certificate of authenticity (COA), Test integrated form, and Conflict Minerals Statement. From the part confirmation system, engineers can confirm the green product supply capacity of suppliers.



100% of Coretronic's top 100 suppliers in 2020 (except for affiliated companies, customer-specified and special raw material suppliers) have signed Green Product Commitment.



2 Compliance with RBA Code of Conduct



All the suppliers are compliant with the RBA Code of Conduct. All the suppliers of Visual Solutions Business Group must sign the RBA Code of Conduct. In 2020, a total of 243 suppliers signed the code with a signing rate of 81%. In response to requests of the Energy Saving Business Group, 19 new suppliers signed the RBA Code of Conduct in 2020, with a signing rate of 100%. In the future, we will require all the suppliers of Coretronic to sign the RBA Code of Conduct.

3 Responsible Minerals Procurement Policy, Declaration, and Investigation



To fulfill CSR and international justice, we follow the RBA Code of Conduct to develop related documents to investigate whether the suppliers are compliant with Responsible Minerals Procurement Policy and Regulation, to relieve the impact from conflict minerals.

Visual Solutions Business Group & Kunshan Plant

1. Declaration of Minerals Conflict-Free: The Part Approval Procedure requires our suppliers to provide a declaration and the information system is used to perform the survey. In 2020, we received replies from 197 suppliers, with a response rate of 96%.
2. "Conflict Minerals Survey Form" based on CFSI CMRT Version 6.01: To investigate the information of smelters for the Tantalum, Tin, Tungsten and Gold required in the products, Coretronic have successfully received responses from 80 suppliers, with the response rate of 100%.

Energy Saving Business Group & Wujiang Plant

Suppliers are required to respond to the "Conflict Minerals Statement." In 2020, a total of 68 suppliers responded to this statement with a rate of 100%.

4 Signing of the Integrity Commitment



Except for: listed and OTC companies in Taiwan, subsidiaries which Coretronic holds over 50% of shares; or companies which already signed or have disclosed relevant integrity commitments on their official website; annual trading volume below a certain amount; customer-specified suppliers; and the sole supplier for the key component; all other suppliers are requested to sign the Coretronic Supplier Integrity Commitment. Excluding suppliers who fit the aforementioned exception, 86% suppliers have signed the integrity commitment in 2020.

Green Procurement /

Local Procurement Practices

Based on the environmental footprint, we understand that material and part procurement can likely cause environmental impacts. Therefore, procurement localization is an important strategy for finding suppliers and partners. We also hope that suppliers can operate their business through local procurement, in order to contribute to environmental protection together. In order to maintain the quality of products, plants of Coretronic Visual Solutions Business Group in Taiwan and China (Kunshan) must purchase key components from specific foreign suppliers, thus, the proportion of local procurement is much lower, however, we will strive to buy the rest of components from local suppliers.

Taiwan		Local Procurement	China		Local Procurement
Visual Solutions Business Group		17%	Visual Solutions Business Group (Kunshan)		34%
Energy Saving Business Group		76%	Energy Saving Business Group (Wujiang)		77%

Green Material Procurement

- Introducing the green accounting system to collect and analyze green purchase performance
- Aggressively purchasing green materials so as to thoroughly implement green supply chain management

Area	Taiwan			China		
	2018	2019	2020	2018	2019	2020
Green Material Procurement (%)	98%	97%	90%	93%	97%	99%

Annual Supplier Conference /

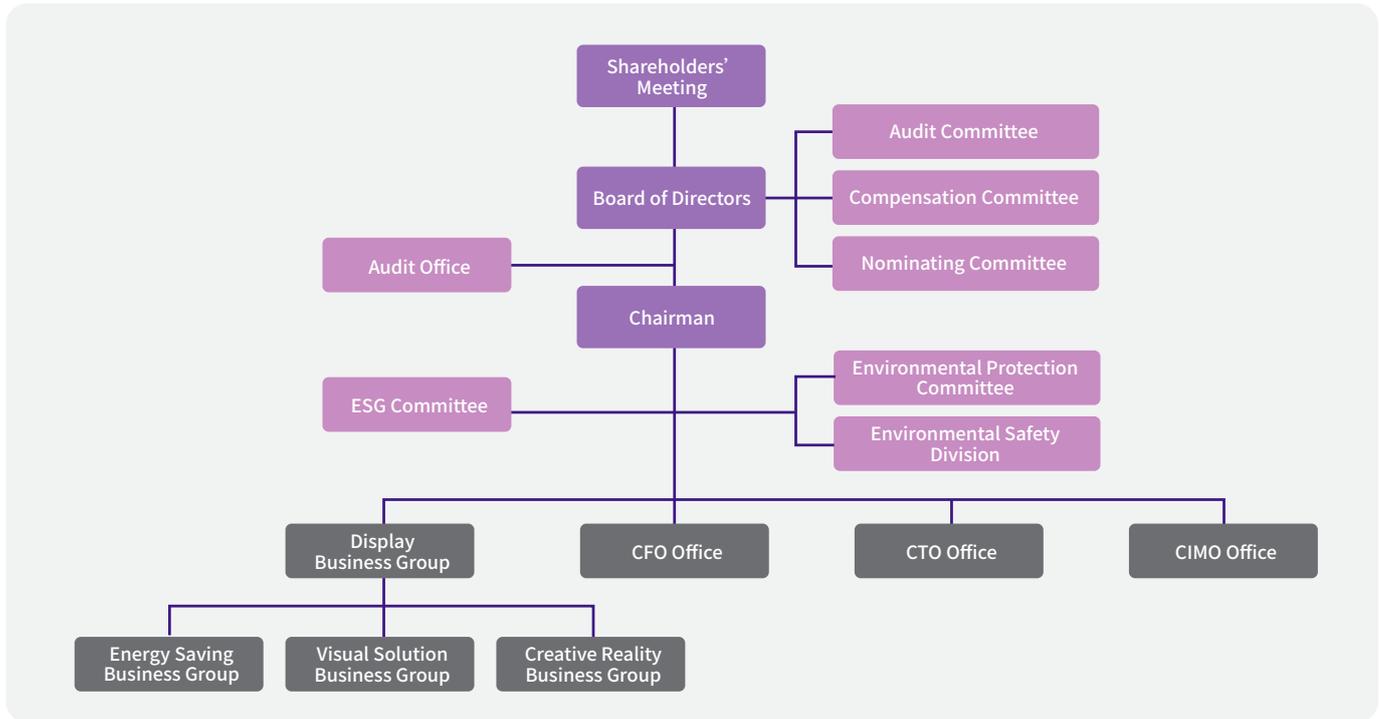
Coretronic worked together with the suppliers to improve aspects of quality, cost, delivery time, environmental protection, safety and health. With over four years of collaborative discussion on issues of environment changes and international environmental protection laws, Coretronic and suppliers jointly implement the commitment for sustainability.

Location	Taiwan	Wujiang
Session	1	1
Total Number of Participants	20 Suppliers	44 Suppliers
Main Issues	<ul style="list-style-type: none"> • Regulations and Performances of Environmental Protection • ISO 50001 Introduction • Regulations of Quality Management • Lectures of Environmental Sustainability 	<ul style="list-style-type: none"> • CSR and Challenges of the Sustainable Supply Chain Management during COVID-19 pandemic • Promotion for Green Supply Chain • Regulations of Green Product Management and Flammability Standards • Excellent Suppliers Experience Sharing • Annual Best Supplier Award

Facilitating Energy Saving and Carbon Reduction of Suppliers

Wujiang Plant has been inviting suppliers to join in energy saving and carbon reduction since 2019, and the number of participating suppliers has increased to 28 in 2020. 8 of them had participated for two consecutive years, and the number of suppliers promoting green solutions has increased by 87% as compared to 2019.





Key Governance Goals and Results /

2020 Governance Results

- In addition to the existing two functional committees (Compensation Committee and Audit Committee), the Company also set up a Nominating Committee in 2020. All the resolutions from these three functional committees would be submitted to the board for discussion. With the reviews of functional committees, the board can better perform their duties and therefore enhance the interests of shareholders.
- Consolidated the relevant units into a Risk Management Team, reporting to the Sustainability Committee. The “Risk Management Policy” was approved at the 8th meeting of the 10th Board of Directors. The operation in 2020 has been reported to the board of directors.
- Became a TCFD supporter, establishment of the TCFD team, implemented TCFD structure, and held briefings for TCFD.
- Established an Internal Pandemic Response Team and formulated a series of prevention policies. The Risk Management Team reports the development of the pandemic to the board every week.
- Regularly report to the board on an annual basis regarding the operations of the Information Security Management Committee.



Governance Goals /

Year	Goals
2021	<ul style="list-style-type: none"> In order to identify and analyze the relevant issues of risk management, a risk identification procedure will be carried out every three years so as to effectively control the risk factors. Continue to pay attention to important risk issues such as the development of COVID-19, information security, and climate change.
2022-2025	<ul style="list-style-type: none"> Continuously monitor risks in operational activities to timely assess the exposure to various risks, and take appropriate countermeasures to improve the relevant operating procedures. Strengthen the overall resilience of the Company in order to effectively control risks.

Board Composition /

Title	Name	Gender	Background	Independence	Attendance
Chairman	Wade Chang	M	<ul style="list-style-type: none"> Master of NTU-Fudan EMBA, National Taiwan University Chairman & CEO, Coretronic Corporation 	CEO	100%
Director	Hsun Chieh Investment Ltd. Representative: Tai-Shun Ho	M	<ul style="list-style-type: none"> Master of Electrical Engineering, National Tsing Hua University Chairman, Novatek Microelectronics Corporation 	V	100%
Director	Ted Tu	M	<ul style="list-style-type: none"> MBA, University of Houston Chairman & President, LAFA LifeTech, Inc. 	V	100%
Director	Chual-Hsin Teng	M	<ul style="list-style-type: none"> Doctorate (Hon) of Engineering, National United University MBA, National Taiwan University Chairman & President, Thin Chang Co., Ltd. 	V	100%
Independent Director	Houn-Gee Chen	M	<ul style="list-style-type: none"> Ph.D. in Industrial Engineering, University of Wisconsin – Madison Masters in Computer Science, University of Wisconsin – Madison Professor of Information Management Dept. & Dean of College of Management, Tunghai University 	V	100%
Independent Director	Edward H.Chow	M	<ul style="list-style-type: none"> Ph.D. in Business, Indiana University-Bloomington Professor of Finance Dept., National Chengchi University 	V	100%
Independent Director	Yao Chien	M	<ul style="list-style-type: none"> Industrial Design, Kun Shan University General Manager, Ursa Major Entertainment Ltd. 	V	100%

Above director terms: June 13, 2019–June 12, 2022

Performance Assessment of the Board and Functional Committees /

Internal Evaluation

The board of the Company has stipulated the “Regulations for Performance Assessment of the board” in April 2018 and it was published on the website of the Company. The performance evaluation of the Board, the directors and the functional committees will be conducted by self-assessment every year. The horizon of assessment is from January 1, 2020 to December 31, 2020, and the final evaluation results are reported to the board.

External Evaluation

The performance evaluation of the board will also be carried out by a professional 3rd-party institution at least once every three years and the results will be submitted to the board.

The Company entrusted Ernst & Young Management Services Inc., to conduct an external evaluation for the board’s performance in October 2020. The firm, Ernst & Young, is independent and has no business dealings with the Company. The firm has issued an assessment report of the board’s performance on January 2021 and submitted it to the board in February 2021.

Functional Committees /

We have a completely independent Audit Committee and a Compensation Committee and in 2020, the Company has established a Nominating Committee, consisting of three independent directors.

Title	Audit Committee	Compensation Committee	Nominating Committee
Year Established	2010	2012	2020
Members	3 independent directors (Mr. Houn-Gee Chen, Mr. Edward H. Chow, Mr. Yao Chien)		
Responsibilities / Matters for consideration	<ul style="list-style-type: none"> Establish or revise internal control systems Evaluate the effectiveness of the internal control systems Procedures for handling material financial or business transactions Matters related to the personal interest of directors Material asset or derivatives transactions Material fund lendings, endorsements or guarantees Offering, issuance or private placement of any equity-type securities Appointment, dismissal or remuneration of CPA Appointment or dismissal of financial, accounting, or internal auditing officers Financial Reports Other important regulations 	<ul style="list-style-type: none"> Regularly review the "Compensation Committee Charter" and submit recommendations for improvement. Develop and regularly review the long-term performance goals and the policies, systems, criteria, and structure for compensation of the directors and managerial officers of the Company. Regularly review how well the directors and managerial officers achieve their goals, and develop their respective compensation content and amount. 	<ul style="list-style-type: none"> Candidates for directors and senior management are sought, reviewed and nominated based on the criteria of independence, and diversified background such as professional knowledge, skill, experience and gender Conduct the performance evaluation for the board, the functional committees and the directors, while evaluating the independence of the independent directors Other matters that the board entrusts to this committee
No. of Meetings	4	2	-
Average Attendance	100%	100%	-
Term of Members	June 13, 2019~ June 12, 2022		Oct 26, 2020~ June 12, 2022

Corporate Governance Team /

The board has resolved the appointment of CFO, Franck Ho, as the corporate governance officer on April 29, 2019, to safeguard the shareholder interests and to enhance the functional capability of the board; in addition, the CFO office will also be responsible for matters regarding corporate governance.

Responsibilities

1. Assist directors in carrying out their duties, provide directors with the required data, and arrange extended education for directors
2. Assist functional committees, the board and the annual general meeting of shareholders in establishing the rules of procedure and fulfilling legal compliance
3. Maintaining investor relations

Other Committees

In 2020, the CSR Committee has been renamed to the ESG Committee to better encompass the spectrum of topics covered. Apart from functional committees, the Company has established: an Occupational Safety and Health Committee, Environmental Protection Management Committed chaired by the Business Service Center. Additionally, we also have an Informational Security Management Committee chaired by the CFO. Starting from 2020, the operation of the Information Security Management Committee will be reported to the board every year.

Internal Audit /

Coretronic's Internal Audit function is an independent unit that reports directly to the Board of Directors. Besides reporting the schedule and outcome of the audit every month, it briefs the Board of Directors during its ordinary meetings.

An internal audit system is planned and designed with reference to the internal control system of individual departments. Based on this internal audit system, the internal control of each process is reviewed, and the suitability of the design, practice, effectiveness, and efficiency of such control are reported. In accordance with regulatory requirements, an internal audit shall be implemented every year to review the self-inspection of the internal control system of individual departments.

Apart from the audit description, indication of materiality levels, and proposal of recommendations, a responsible unit will be requested to submit an action plan with an estimated date of improvement completion in the audit report.

After the date of improvement completion is due, the improvement will be traced with reference to the action plan.



Integrity and Ethics /

At Coretronic, we uphold business integrity and request all employees to maintain integrity and honesty so as to maintain the assets, rights and interests, and image of Coretronic and protect the rights and interests of the Company and its stakeholders. Hence, we have established the policies as a reference for ethics compliance of all members and suppliers of Coretronic. These principles, codes, and regulations strictly prohibit the collection of improper advantages (including banquets, kickbacks, bribes, and other improper treatments) or committing any acts that may affect the image and competitiveness of the Company by taking advantage of duty.

- Corporate Governance Best Practice Principles
- Ethical Corporate Management Best Practice Principles
- Procedures for Ethical Management and Guidelines for Conduct
- Codes of Ethical Conduct
- RBA® Code of Conduct Management Manual
- Regulations Governing the Avoidance of Conflicts of Interest for Suppliers
- Coretronic Supplier Integrity Commitment
- Bylaws to Report Cases of Illegal and Unethical Conduct

Whistleblower Mechanisms /

We have established a reporting email (8215@coretronic.com) and an enquiry and grievance hotline (+886-37-777000 ext. 8215) in accordance with the "Professional Ethics Violation of Stakeholders and Employees Enquiry and Grievance Channels."

The investigation will be confidentially done by an independent audit team of the Company. The identity of whistleblowers will be held in absolute confidentiality.

No grievances violated the Company regulations in both Taiwan and China. There were only 2 cases of minor grievances in China which were resolved.